



Financing Facilities for a Better Future

MEETING OF THE BOARD OF DIRECTORS

AUGUST 13, 2015

A Meeting of the Board of Directors of the Rhode Island Health and Educational Building Corporation was held on **Thursday, August 13, 2015 at 5:30 p.m.**, at the Corporation's office located at 170 Westminster Street, Suite 1200, Providence, Rhode Island, 02903.

Directors present: James Salome, Chairman; Ralph Ezovski, Vice Chairman; Richard Sinapi, Treasurer; Ralph Palumbo, Assistant Treasurer; and Scott Davis, Secretary.

Also present: Robert Donovan, the Corporation's Executive Director; Scott O'Malley, the Corporation's Chief Financial Officer; Peter Scoliard from Public Financial Management, Inc., Adam Krea from First Southwest, the Corporation's Financial Advisors; Karen Grande from Locke Lord LLP, Eugene Bernardo from Partridge, Snow & Hahn LLP, Paul Campellone from Adler Pollock & Sheehan P.C., Adam Gwaltney from Hinckley Allen & Snyder LLP, the Corporation's Bond Counsel; and Antonio Afonso, Jr. from Moses Afonso Ryan Ltd., the Corporation's Legal Counsel.

1. A) TO APPROVE THE PUBLIC SESSION MINUTES OF THE MEETING HELD ON JULY 9, 2015

It was unanimously voted upon motion by Mr. Ezovski, seconded by Mr. Davis, to approve the Public Session Minutes of the Regular Meeting of July 9, 2015.

2. TO REVIEW THE EXECUTIVE DIRECTOR'S REPORT

A. TO CONSIDER THE ADOPTION OF THE CORPORATION'S ACCOUNTING POLICIES AND PROCEDURES MANUAL 2015

Mr. Donovan explained that when the Board previously adopted the Accounting Policies and Procedures in December 2014 to comply with recently passed legislation, these policies and procedures had been developed in 1990. Since then several changes have occurred in the Corporation's operation and the revised Policies and Procedures that the Board is being asked to adopt reflect these changes.

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It was unanimously voted upon motion by Mr. Davis, seconded by Mr. Palumbo to adopt the Accounting Policies and Procedures.

B. TO AUTHORIZE THE ESTABLISHMENT OF A CUSTODIAL ACCOUNT WITH US BANK FOR THE SCHOOL BUILDING AUTHORITY CAPITAL FUND

Mr. Donovan explained that as part of the legislation that established the School Building Capital Fund the Corporation is required to establish a separate account to hold any funds designated for it by the School Building Authority.

The Board is being requested to authorize the establishment of the account with US Bank which currently has the custodial account used for the School Housing Program.

It was unanimously voted upon motion by Mr. Ezovski, seconded by Mr. Davis and Mr. Palumbo to establish the account with US Bank for the School Building Capital Fund.

3. TO REVIEW THE FINANCIAL ADVISOR'S REPORT

Mr. Krea presented reports for the Providence College bond issue and South County Hospital transactions.

4. TO ACCEPT AN APPLICATION FROM THE CITY OF PROVIDENCE AND APPOINT A FINANCIAL ADVISOR AND BOND COUNSEL

Mr. Donovan explained that the Corporation received an application from the City of Providence for a bond issue. It was requested that the Board accept the application. It was unanimously voted upon motion by Mr. Palumbo, seconded by Mr. Ezovski to accept the application from the City of Providence.

Mr. Donovan requested that the Board appoint Adler Pollock & Sheehan as Bond Counsel for the City of Providence bond issue. It was unanimously voted upon motion by Mr. Ezovski, seconded by Mr. Davis, to appoint Adler Pollock & Sheehan as Bond Counsel for the City of Providence bond issue.

Mr. Donovan requested that the Board appoint First Southwest as Financial Advisor for the City of Providence bond issue. It was unanimously voted upon motion by Mr. Ezovski, seconded by Mr. Palumbo and Mr. Davis, to appoint First Southwest as Financial Advisor for the City of Providence bond issue.

5. TO GRANT PRELIMINARY APPROVAL FOR THE JOHNSON & WALES BOND ISSUE

Mr. Scoliard presented the Preliminary Approval memorandum for the Johnson & Wales University bond issue. It was unanimously voted upon motion by Mr. Davis, seconded by Mr. Sinapi and Mr. Palumbo, to grant Preliminary Approval for the Johnson & Wales University bond issue.

6. TO GRANT FINAL APPROVAL AND ADOPT AND AUTHORIZING RESOLUTION FOR THE NEW ENGLAND INSTITUTE OF TECHNOLOGY ISSUE 2015

Mr. Scoliard presented the Final Approval memorandum for the New England Institute of Technology bond issue. A motion was made by Mr. Palumbo, seconded by Mr. Ezovski to grant Final Approval to adopt the Authorizing Resolution which was followed by a discussion among the members of the Board.

Mr. Sinapi asked the representative of NEIT for the identity of the general contractor on the project and where the labor was coming from. The representative, Mr. Theroux, was not able to provide the information at the meeting but indicated he would provide the information once he spoke to NEIT personnel responsible for the project.

Mr. Sinapi did not feel it was appropriate to grant final approval without this information. Mr. Sinapi indicated the construction industry in Rhode Island has been suffering and suggested when the Corporation approves major projects there should be a push for the use of local labor.

Additional discussion followed on the issue along with a discussion of the potential loss by NEIT of the bank's financial commitment should it need to wait another month for approval. After some additional discussion it was voted by the majority of the Board present upon motion by Mr. Ezovski, seconded by Mr. Salome to grant Final Approval and Adopt the Authorizing Resolution for NEIT. Mr. Sinapi and Mr. Davis abstained.

7. TO CONSIDER ANY OTHER BUSINESS TO COME PROPERLY BEFORE THE BOARD

There being no other business to come before the Board, it was unanimously voted upon motion by Mr. Ezovski, seconded by Mr. Sinapi, to adjourn at 6:15 p.m.